

FOR CONSIDERATION By the Committee on Community Affairs

578-03424-15

20157090pb

1 A bill to be entitled
2 An act relating to local government capital recovery;
3 creating s. 166.28, F.S.; defining terms; requiring
4 municipalities that meet certain criteria for
5 delinquent designated revenues to issue a procurement
6 request seeking bids from collection agencies, subject
7 to certain requirements and restrictions; providing
8 requirements for the content of the procurement
9 request; providing that municipalities issuing such
10 procurement requests are not required to enter into
11 any contractual arrangement; requiring that any
12 delinquent designated revenues that a collection
13 agency agrees to collect be excluded when the
14 municipality calculates whether it meets specified
15 criteria, under certain circumstances; requiring a
16 municipality to forward a copy of all bids received to
17 the Department of Financial Services; requiring the
18 department to keep all such bids on file for a
19 specified period of time; amending s. 218.39, F.S.;
20 requiring a discussion of the current balance of a
21 municipality's delinquent designated revenues and the
22 efforts to collect such revenues in the management
23 letter accompanying the municipality's annual
24 financial audit report; providing an effective date.

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26 Be It Enacted by the Legislature of the State of Florida:
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28 Section 1. Section 166.28, Florida Statutes, is created to
29 read:

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30 166.28 Municipal Capital Recovery.-

31 (1) As used in this section, the term:

32 (a) "Abatement fine" means an amount billed to an owner of
33 real property by a municipality after the municipality brings
34 such real property or a portion thereof into compliance with
35 municipal ordinance or code by removal, repair, rehabilitation,
36 demolition, improvement, remediation, storage, transportation,
37 or disposal done concerning the real property or any tangible
38 personal property located thereon, regardless of whether a lien
39 was attached to the property related to such fine.

40 (b) "Administrative fine" means an amount billed to an
41 individual for the violation of a municipal ordinance or code
42 unrelated to real property.

43 (c) "Delinquent" means unpaid after the due date listed on
44 the original billing of an abatement fine, administrative fine,
45 property fine, or utility charge, regardless of whether the
46 municipality has contracted with a collection agency pursuant to
47 s. 938.35 for the collection of the unpaid fines or charges.

48 (d) "Designated revenues" means abatement fines,
49 administrative fines, property fines, and utility charges.

50 (e) "Procurement request" means an invitation to bid,
51 invitation to negotiate, or request for proposal issued by a
52 municipality pursuant to its procurement policies.

53 (f) "Property fine" means an amount other than an abatement
54 fine which is billed to a property owner due to the property
55 being out of compliance with city ordinance or code, regardless
56 of whether a lien was attached to the property related to such
57 fine.

58 (g) "Utility charge" means an amount billed to a customer,

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59 other than a governmental entity as defined in s. 768.295, by a
60 municipally owned utility for providing utility service.

61 (2) After October 1, 2015, any municipality that meets at
62 least one of the criteria in paragraph (a), paragraph (b), or
63 paragraph (c) shall issue a procurement request within 30 days
64 of first meeting at least one such criterion.

65 (a) The sum of the municipality's designated revenues that
66 are more than 90 days delinquent is at least \$10 million;

67 (b) The sum of the municipality's designated revenues that
68 are more than 180 days delinquent is at least \$5 million; or

69 (c) The sum of the municipality's designated revenues that
70 are more than 270 days delinquent is at least \$1 million.

71 (3) If a municipality's delinquent designated revenues are
72 less than 20 percent of the total designated revenues billed by
73 the municipality in the previous 12 months, the requirements of
74 subsections (2) and (5) shall not apply.

75 (4) A procurement request issued pursuant to subsection (2)
76 or subsection (5) must seek bids from collection agencies
77 registered pursuant to s. 559.553. The procurement request must
78 specify that the municipality is seeking an up-front payment of
79 cash to the municipality in addition to any portion of the bid
80 based on contingency fees, in exchange for the right to collect
81 all of the municipality's delinquent designated revenues as of
82 the date the procurement request is issued. The procurement
83 request must specify that bids based solely on contingency fees
84 with no up-front payment of cash will not be accepted.

85 (5) If a municipality meets at least one of the criteria in
86 paragraph (2) (a), paragraph (2) (b), or paragraph (2) (c) 1 year
87 after it issues a procurement request pursuant to subsection (2)

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88 or this subsection, it must issue an additional procurement
89 request meeting the requirements of subsection (4).

90 (6) A municipality issuing a procurement request pursuant
91 to this section is not required to enter into a contract for
92 services with any collection agency that responds to the
93 procurement request.

94 (7) If a municipality enters into a contract for services
95 with a collection agency that submitted a bid meeting the
96 requirements of a procurement request issued pursuant to this
97 section, any delinquent designated revenues that the collection
98 agency agrees to collect shall be excluded thereafter when the
99 municipality calculates whether it meets any of the criteria in
100 paragraph (2) (a), paragraph (2) (b), or paragraph (2) (c).

101 (8) After all bids have been received in response to a
102 municipality's procurement request issued pursuant to this
103 section, the municipality shall forward a copy of all bids
104 received to the Department of Financial Services. The department
105 shall keep all such bids on file for a period of 5 years or
106 more.

107 Section 2. Subsection (4) of section 218.39, Florida
108 Statutes, is amended to read:

109 218.39 Annual financial audit reports.—

110 (4) A management letter shall be prepared and included as a
111 part of each financial audit report. For municipal financial
112 audit reports, the letter must include a discussion of the
113 current balance of the municipality's delinquent designated
114 revenues as defined in s. 166.28, and the efforts the
115 municipality has undertaken to collect such revenues.

116 Section 3. This act shall take effect July 1, 2015.